

# House File 620 - Introduced

HOUSE FILE 620  
BY COMMITTEE ON GOVERNMENT  
OVERSIGHT

(SUCCESSOR TO HSB 222)

## A BILL FOR

1 An Act modifying provisions applicable to the construction,  
2 erection, maintenance, or operation of electric transmission  
3 lines, and including effective date and applicability  
4 provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 478.3, subsection 3, Code 2015, is  
2 amended to read as follows:

3 3. a. For the purpose of this ~~section~~ chapter, the term  
4 "public" when used in relation to public interest, public use,  
5 or needs of the public shall not be interpreted to refer to and  
6 be limited to consumers located in this state.  
7 b. Paragraph "a" shall not apply to a transmission line,  
8 wire, or cable that is capable of operating at an electric  
9 voltage of thirty-four and one-half kilovolts or greater  
10 and that primarily provides electricity through alternating  
11 current and is used by rate-regulated electric utilities,  
12 municipal electric utilities, rural electric cooperatives, or  
13 electric transmission owners to provide electric service to the  
14 aforementioned utilities or to the public for compensation.

15 Sec. 2. Section 478.4, Code 2015, is amended to read as  
16 follows:

17 **478.4 Franchise — hearing.**

18 1. The utilities board shall consider the petition and  
19 any objections filed to it in the manner provided. It shall  
20 examine the proposed route or cause any engineer selected  
21 by it to do so. If a hearing is held on the petition it may  
22 hear testimony as may aid it in determining the propriety of  
23 granting the franchise. It may grant the franchise in whole or  
24 in part upon the terms, conditions, and restrictions, and with  
25 the modifications as to location and route as may seem to it  
26 just and proper. Before granting the franchise, the utilities  
27 board shall make a finding that the proposed line or lines are  
28 necessary to serve a public use and represents a reasonable  
29 relationship to an overall plan of transmitting electricity in  
30 the public interest. A franchise shall not become effective  
31 until the petitioners shall pay, or file an agreement to pay,  
32 all costs and expenses of the franchise proceeding, whether  
33 or not objections are filed, including costs of inspections  
34 or examinations of the route, hearing, salaries, publishing  
35 of notice, and any other expenses reasonably attributable to

1 it. The funds received for the costs and the expenses of the  
2 franchise proceeding shall be remitted to the treasurer of  
3 state for deposit in the department of commerce revolving fund  
4 created in section 546.12 as provided in section 476.10.

5 2. a. A finding of public use and public interest shall  
6 not be made in regard to a petition for a franchise if the  
7 petition sets forth that the exercise of the right of eminent  
8 domain will be used and if the petition primarily involves  
9 construction of a high-voltage direct current line and  
10 the petition does not provide for the erection of electric  
11 substations at intervals of less than fifty miles, which is  
12 necessary to accommodate both the purchase and sale to persons  
13 located in this state of electricity generated or transmitted  
14 by the franchisee.

15 b. Paragraph "a" shall not apply to a transmission line,  
16 wire, or cable that is capable of operating at an electric  
17 voltage of thirty-four and one-half kilovolts or greater  
18 and that primarily provides electricity through alternating  
19 current and is used by rate-regulated electric utilities,  
20 municipal electric utilities, rural electric cooperatives, or  
21 electric transmission owners to provide electric service to the  
22 mentioned utilities or to the public for compensation.

23 **Sec. 3. NEW SECTION. 478.34 Severability.**

24 If any provision of this chapter or its application to any  
25 person or circumstance is held invalid or otherwise rendered  
26 ineffective by any entity, the invalidity or ineffectiveness  
27 shall not affect other provisions or applications of this  
28 chapter that can be given effect without the invalid or  
29 ineffective provision or application, and to this end the  
30 provisions of this chapter are severable.

31 **Sec. 4. EFFECTIVE UPON ENACTMENT.** This Act, being deemed of  
32 immediate importance, takes effect upon enactment.

33 **Sec. 5. APPLICABILITY.** This Act is applicable to petitions  
34 for franchise filed on or after November 1, 2014, which have  
35 not been acted upon by the board on the effective date of this

1 Act, and to petitions for franchise filed on or after the  
2 effective date of this Act.

3 EXPLANATION

4 The inclusion of this explanation does not constitute agreement with  
5 the explanation's substance by the members of the general assembly.

6 This bill modifies provisions applicable to the  
7 construction, erection, maintenance, or operation of electric  
8 transmission lines contained in Code chapter 478.

9 In determining whether to grant a petition for a franchise to  
10 construct, erect, maintain, or operate an electric transmission  
11 line, the Iowa utilities board is required to find that, among  
12 other requirements, the proposed line or lines are necessary  
13 to serve a public use and represents a reasonable relationship  
14 to an overall plan of transmitting electricity in the public  
15 interest. The bill provides that a finding of public use and  
16 public interest shall not be made in the event a petition for  
17 a franchise primarily involves construction of a high-voltage  
18 direct current line and the petition does not provide for the  
19 erection of electric substations at intervals of less than 50  
20 miles, which is necessary to accommodate both the purchase and  
21 sale to persons located in Iowa of electricity generated or  
22 transmitted by the franchisee.

23 Additionally, current Code section 478.3, specifying  
24 franchise petition requirements, provides that for the  
25 purposes of that Code section, the term "public" shall not be  
26 interpreted to be limited to consumers located in Iowa. The  
27 bill modifies this provision to instead specify that the term  
28 "public" as used in Code chapter 478 in reference to public  
29 use, interest, and needs shall refer to and be limited to  
30 consumers located in this state.

31 With reference to both the restriction against a finding  
32 of public use and public interest for the high-voltage  
33 direct current line and the limitation of the term "public"  
34 to consumers located in Iowa, the bill provides that these  
35 provisions shall not apply to a transmission line, wire, or

1 cable that is capable of operating at an electric voltage  
2 of 34 and one-half kilovolts or greater that primarily  
3 provides electricity through alternating current and is  
4 used by rate-regulated electric utilities, municipal  
5 electric utilities, rural electric cooperatives, or electric  
6 transmission owners to provide electric service to the  
7 aforementioned utilities or to the public for compensation.

8     Further, the bill contains a severability provision  
9 providing that if any provision of Code chapter 478 or its  
10 application to any person or circumstance is held invalid or  
11 otherwise rendered ineffective by any entity, the invalidity  
12 or ineffectiveness shall not affect other provisions or  
13 applications of the Code chapter that can be given effect  
14 without the invalid or ineffective provision or application,  
15 and to this end the provisions of the Code chapter are  
16 severable.

17     The bill takes effect upon enactment and applies to  
18 petitions for franchise filed on or after November 1, 2014,  
19 which have not been acted upon by the board on the bill's  
20 effective date, and to petitions for franchise filed on or  
21 after the bill's effective date.